



MLDS CENTER

Maryland Longitudinal Data System

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MEMORANDUM

TO: MLDS Governing Board
FROM: Ross Goldstein
DATE: December 9, 2019
SUBJECT: MLDS Center FY 20 Budget

The Governing Board reviewed and approved the Center's FY 20 annual budget during the June 2019 meeting. With one exception, there are no changes to the FY 20 budget plan and the Center is on target with its planned spending.

The one change is due to the fact that in FY19, the Research Branch contract was under-spent by approximately \$20,000. Since the money had been encumbered, it is permissible for the Center to use those funds to pay FY20 Research Branch expenses. Accordingly, this will free up \$20,000 in funding for the current fiscal year. I am proposing to use these funds as follows:

1. Since the Research Branch budget was reduced this year, some of those funds will be used to supplement that budget if needed.
2. Since the Center is required to conduct an IT Security Audit each year, some portion of the funds will be used to conduct a limited engagement audit later this year.
3. If funds are still available, it would be beneficial for the agency to provide enhanced cybersecurity training for the database manager.

As discussed during the June Governing Board meeting, the Center's funding is not sufficient to meet all of its operational needs, as evidenced by the fact that the Research Branch budget was not fully funded this year. To address these funding issues, I have been working with Assistant State Superintendent Christy Shockley on a Budget Amendment request. Below is the text of the submitted in support of the request.

The purpose of this email is to provide an overview of the MLDS Center funding needs and determine a way to address those needs in future budget as discussed earlier today.

The majority of the MLDS Center non-salary budget is spent as follows (see full breakdown below):

1	Research Branch - UMB School of Social Work (MOU)	\$365,000
2	Senior Oracle Database Engineer - Consultant Contract	\$280,000
3	Oracle Software License	\$275,000
4	MHEC Liaison - Reimbursable Fund	\$110,000
5	Operations, IT equipment and software	\$144,225
		\$1,174,225

In past fiscal years, and in the current fiscal year, the Center has been able to utilize federal grant funds to pay a significant portion of the Oracle consultant contract (since the services provided by the consultant were related to the grant project). However, with the grant ending this fiscal year, those funds will no longer be available to offset the cost of that contract.

This year, the target non-salary budget was \$818,000, which is \$365,000 under what is needed to fully fund the agency's operations.

For FY 20, even though the budget was supplemented by federal grant funds, there was a shortfall that resulted in the agency not being able to fully fund the interagency agreement with the University of Maryland, School of Social Work (SSW). In past years, funding for the services of the Research Branch provided by SSW was set at \$365,000. This year, the Center was only able to commit \$320,000. This shortfall will result in a decrease in researchers' time and output on behalf of the MLDS Center. Having the Research Branch fully funded and available for Center directed work is necessary to be able to provide in-depth research and analysis on important issues - as was done with the analysis for the Commission on Innovation and Excellence in Education. At a recent meeting, the MLDS Governing Board noted the critical importance of a fully-funded Research Branch and directed me to work with MSDE and DBM to find solutions to address the funding shortfalls.

Another impact of the funding shortfall is the inability to commit funds to conduct an independent security audit. The Center is required by state law to conduct an annual audit and needs funding to secure those services. Resources for an audit, and for IT staff training to improve and manage the Center's system security are critically important to ensuring a robust security profile for the Center's student and worker data.

**Full Non-salary Budget Breakdown*

Item	Amount
Travel	\$2,550
Parking	\$14,500
Misc. Contracts	\$20,175
Software (other than Oracle)	\$27,000
<i>Oracle License</i>	<i>\$275,000</i>
<i>MHEC Liaison (Reimbursable Fund)</i>	<i>\$110,000</i>
<i>Oracle Consultant Contract</i>	<i>\$280,000</i>
<i>UMB Research Branch</i>	<i>\$365,000</i>
DoIT	\$40,000
Supplies	\$5,000
Training	\$15,000
IT Audit	\$15,000
Equipment	\$5,000
Total	\$1,174,225